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January 6, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

RE: Notice of Ex Parte Meeting

Dear Ms. Salas:

Yesterday, January 5, 2000, I met with Sharon Webber, Acting Deputy Chief of the Accounting Policy Division, Common Carrier Bureau, and with Praveen Goyal and Elizabeth Valinoti, Attorney Advisors to the Common Carrier Bureau, to discuss the Petition for Reconsideration in CC Dkt. No. 96-45 ("Petition") filed by the Washington State Department of Information Services ("DIS") on July 16, 1997. The Petition seeks reconsideration of section 54.501(d)(1) of the Commission's rules, 47 C.F.R. §54.501(d)(1), which, in its present form, prevents DIS from including private, non-profit baccalaureate institutions in its statewide K-20 educational network without jeopardizing the status of other network entities that would be otherwise eligible for Universal Service support.

The purpose of the meeting was to explore ways in which the issues raised by the DIS Petition can be resolved so that Washington State can proceed with the construction of the K-20 network. The substantive issues discussed in the meeting reflected matters and information presented to the Commission in previous filings, specifically, that the K-20 network, functioning as a buying consortium through which entities eligible for universal service support are able to aggregate buying power with other eligible and ineligible entities, must exclude private baccalaureate institutions from its membership or else its eligible members will not be able to obtain universal service discounts for interstate services. Alternatively, the consortium may include private baccalaureate institutions without impairing the ability of the eligible members to obtain discounts on interstate services, but only if a substantial number of the services that the network purchases are bought at generally tariffed rates. This alternative defeats the purpose of aggregating buying power in order to obtain the lowest possible pre-discount prices for services. Either alternative contravenes both the intent of the Washington

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Magalie Roman Salas, Secretary, FCC

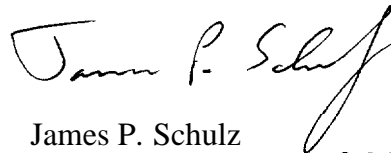
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State legislature in creating the network and the Commission's stated policies that encourage the formation of educational consortia in order to obtain the lowest possible pre-discount prices for eligible schools and libraries.

At the conclusion of the meeting, the staff requested further information regarding the K-20 network's operations, the scope of the problem (i.e., whether other states have encountered similar problems in establishing their own state telecommunications networks), and other factual matters that may assist in a timely resolution of the matter.

Respectfully submitted,



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On behalf of:

STATE OF WASHINGTON
DEPARTMENT OF INFORMATION
SERVICES

cc: Erika Lim
Judith Harris
Sharon Webber
Praveen Goyal
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